

DISPATCH		CLASSIFICATION <b>SECRET</b>	DISPATCH SYMBOL AND NO. <b>EAVA-30009</b>
TO INFO	Chief, EE		HEADQUARTERS FILE NO. <div></div>
FROM	Chief of Station, Vienna <i>Wm</i>		DATE <b>19 June 1962</b>
SUBJECT	GROOVY/GRSPINAL-2/Operational Dr. Otto SCHULMEISTER		RE: "43-3" - (CHECK "X" ONE)
			MARKED FOR INDEXING
			<input checked="" type="checkbox"/> NO INDEXING REQUIRED
ACTION REQUIRED	Please provide cryptonym		INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY

## REFERENCE(S)

EAVW-15828, 22 November 1961

1. Since the receipt of reference we succeeded in establishing connection with Dr. Otto Schulmeister and during the past two months the contact appears to have matured into a definite operational relationship. My first social meeting with Dr. Schulmeister was under ODACID cover but it did not take him long to surmise my true affiliation; indeed, as it will be seen from the following paragraph, he may have known it all along.

2. I met Dr. Schulmeister for the first time, and briefly, in his office. I was introduced by one of his associate editors, Frau Ilse Leitenberger, formerly on the staff of the Salzburger Nachrichten. Frau Leitenberger was a student of my former Hamburg contact  and eventually became the Vienna correspondent of 's newspaper, a position which she still holds in addition to her full-time job on Die Presse. Around Christmas 1961 I received a letter from  suggesting that I establish contact with Frau Leitenberger, to whom he wrote about me directly. I did so and had two pleasant lunches with her. She took me in to see Dr. Schulmeister on one of these occasions, around the middle of February 1962. Subsequently Frau Leitenberger suggested that my logical contact on Die Presse would be Dr. Schulmeister and she volunteered to arrange a luncheon meeting. This took place on 30 March 1962. A few days later we heard from  that Schulmeister had mentioned a recent meeting with the "chief of intelligence" in GEBANAL. As there was nothing in my first ~~talk~~ talk with Schulmeister to permit him to reach that conclusion, it seems reasonable to assume that , (a witting collaborator of ours) indicated or implied to Frau Leitenberger what my position was in Hamburg and that she had passed this information on to Schulmeister when she arranged the luncheon.

3. During this first luncheon with Dr. Schulmeister I gained a very good impression of him. Of course, he was already fairly well-known to me, in a way, having read his paper daily since my arrival in Vienna, and having seen and heard him on television. In person he struck me as a real Vienna product, in the good sense of the word: international and cosmopolitan in his outlook and tastes, religious but not bigoted, a believer in the historic mission of Austria as a western-oriented meeting place of East and West, an old-fashioned liberal. A man whose personal weapon happens to be the pen but who sees that pen as an ally and supporter of the symbolic sword without which people of his persuasion would not last very long in face of the communist menace.

4. The talk during our luncheon was wide-ranging but did not go into details. Schulmeister talked a consistently, even militarily pro-Western line and in general he voiced the views one can read in his editorials. He was rather critical of the American Embassy, pointing out that he had never been invited to a private, as opposed to mass/representational, function, that he did not even know the name of the current USIS chief or his press attache, and that he had never had a talk with the American Ambassador or the American Minister. While this in no way shook his belief that the survival of the free world, including free Austria, depended solely on the power and determination of the United States, he could not help being concerned with the difference between the vigor and will of the Soviet diplomats in Austria and the relative passiveness of the American counterparts. Schulmeister readily conceded that part of his pessimism may be based on unfamiliarity with the American representatives in Vienna. I promised to do what I could to correct this situation.

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FORM  
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DATE *1962*  
REFERENCES FORMS  
51-28, 51-28A AND 51-29  
WHICH ARE OBSOLETE.

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5. A few days after the above conversation I had tried to arrange a meeting between the then Economic Counsellor (now Charge d'Affaires) Dwight Porter and Schulmeister but the latter had to decline because of a suddenly scheduled TV appearance.

6. In the meanwhile [ ] had discussed certain public relations aspects of the Embassy at the Ambassador's staff meeting. Mr. Lawrence E. Norrie, the recently-arrived Public Affairs Counsellor, said that he had attempted to get together with Dr. Schulmeister, but the latter could not be reached on the telephone and did not return Norrie's calls. [ ] said that I would undertake to arrange a contact between Norrie and Schulmeister.

7. This was accomplished on the 8th of May in form of a lunch at my house attended by Norrie, Political Counsellor John Devine, Dr. Schulmeister and the undersigned. A memorandum for the record was written and forwarded through USIS channels to Washington. Copies for C/EE are being forwarded under separate cover.

8. On the 9th, Schulmeister called me to express his appreciation for the lunch and for the chance to meet some of the senior officials at the Embassy. He said that while he needed the contact with USIS, he hoped that this would in no way interfere with his relationship with me.

9. The first "operational" engagement with Schulmeister came as a result of the [ ] affair. I saw Schulmeister on 5 June when we had a full and frank discussion on Austrian internal security problems and during which he had voiced his suspicions concerning [ ]. The line followed by Die Presse in the days following, both with reference to [ ] and to the broader problem, has been gratifying from our point of view.

10. My most recent meeting with Schulmeister was on 16 June. The conversation dealt mostly with problems of Austrian internal security. We seemed to be pretty much in agreement both on the problem and on steps to be taken toward a possible solution. I gave Schulmeister a copy of the book "When the Kissing Had To Stop" by High Fitz Gibbon, in its German translation: "Aller Küssen Ende". I felt that the message of the book was particularly applicable to Austria and I suggested that Die Presse may want to review the book in some detail.

11. At least as evidenced by the [ ] affair, Schulmeister seems willing to cooperate with us. While the same is true of [ ] Schulmeister is 20 years younger than [ ] and a lot closer to the effective working level from a journalistic and propagandistic standpoint. In a way I consider the relationship with Schulmeister of a much greater long-range potential because, while it now complements our connection with [ ], eventually he can go much further on the Austrian political scene. It will be recalled that Schulmeister has always enjoyed important (political) Catholic connections, one of his closest friends being Dr. Otto Mauer, the director of Catholic Action in Austria. It is also of interest to note that Dr. Schulmeister's anti-communist attitude pre-dates the end of the Soviet occupation. According to our records, Schulmeister was investigated by the Interallied Censorship Section (including the Soviets) in the late fall of 1949 because he was receiving material which was deemed to be "embarrassing to the Soviet Union". Schulmeister claimed at that time that he was receiving the material in question from the Servizio Documentario Italia, an official Catholic news agency, and that he received this material in connection with his duties as newspaper editor.

12. Our files reflect no derogatory information, unless we wish to so regard his brief period of membership in the Hitler Youth from 1934 to 1936. I have no information on this phase of Schulmeister's career but expect to discuss the matter with him when the occasion presents itself, not because of the significance of the question, as such, but because I hope to engage Schulmeister into a comprehensive discussion of his political philosophy using the attitudes in the thirties as the point of departure.

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13. Schulmeister is married, with three children. I met only the oldest son who is attending the University of Vienna. Although Schulmeister's salary from Die Presse is very high by Austrian standards (18,000 Schillings per month, according to [ ] , plus the free use of a Mercedes, plus the usual Austrian extras, Schulmeister appears to have some financial problems. During one of our meetings he talked longingly of the high salary enjoyed by American executives, specifically that in the U. S. an executive can live off the salary paid by one job, whereas in Austria a man who wants better things for his family must engage in several different pursuits, at the expense of private life and family ties. I mention this point because of its possible significance in our subsequent relations.

Attachment: U.S.C.

Memo dated May 9, 1962 (2 cys)

Distribution:

2 - EE w/att. U.S.C.

VSJ/ofb

DOC FORWARDED W/O S/C  
BY RIR/AR

May 9, 1962

## Memorandum for the Record

1. On May 8, 1962 the Editor-in-Chief of the Vienna daily Die Presse, Dr. Otto Schulmeister, had lunch with Mr. Devine, Mr. Morris and Mr. Folger. The purpose of the lunch meeting was to acquaint the newly-arrived Public Affairs Officer with one of the outstanding Austrian journalists and to accommodate Dr. Schulmeister who had previously expressed the desire to have a broader base of contact with the American Embassy.
2. The conversation was cordial and dealt with various topics of current interest. It was partly in English, partly in German. Dr. Schulmeister appears to have a good understanding of English and showed no difficulty in following remarks made in English. However, he preferred speaking in German. He spoke frankly and it was clear that he enjoyed excellent sources of information within the Austrian governmental and political structures.
3. Dr. Schulmeister's remarks covered, broadly speaking, three subjects: American and Austrian attitudes toward each other, the political future in Austria, and his evaluation of various Austrian personalities.
4. The main point made by Dr. Schulmeister during the first part of the conversation was that the United States must not take the democratic, pro-Western order in Austria for granted. He felt that unfortunately such appeared to be the case and that the progressive withdrawal of American efforts and resources from Austria was based on the false assumptions that the little Alpine republic (a) could take care of herself, and (b) what happens here does not really matter. He said that he could appreciate that the United States had many pressing problems from Greenland to Laos and back again and that after World War II the U.S. found herself with a kindergartenful of small nations who need looking after. But just as a kindergarten-teacher cannot afford to neglect any of her charges, the U.S. must take care that none of her charges--be it Ghana, Berlin or Austria--should get out of line. Looking at the surface, the American position in Austria seems very favorable. By and large the people like America and Americans while the attitudes toward the Soviets range from hatred to deepest suspicion, coupled with fear and still influenced by the traumatic experiences of the post-war days. However, there is neither the tradition of a democratic system in Austria nor the degree of political maturity which in the U.S. finds expression in the bi-partisan foreign policy. According to Dr. Schulmeister it is quite conceivable that in case of a serious economic set-back, unemployment, etc., either of the two major parties would not only blame the other, but might be willing to embark on a more adventurous, i.e., more Soviet Bloc-oriented economic and inevitably also political course. While he would not go so far as to state that the present political leadership was not representative, Dr. Schulmeister said that there were latent, primitive, political forces in both parties, capable of a swing to the right or to the left. The extreme rightists, while not too numerous,

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were fanciful and he ventured to say that there were, percentage wise, more real Nazis today in Austria than in Germany. He cited, for example, the violently anti-Semitic tone of letters to the editor following the publication of certain articles written by Walter Lippmann.

5. The Austrians look to the United States for leadership and the recent visit of Chancellor Gorbach and Foreign Minister Kreisky was indicative of the value the two major parties place on the value of American endorsement in the upcoming election campaign. In this connection, the OeGP seems disturbed by the cordiality shown in Washington to the socialist Foreign Minister. This indicates the childish level of domestic politics here, because after all what were the Americans supposed to do under the circumstances? However, both Gorbach and Kreisky appear to have been depressed by the negative American position on Austria's association with the Common Market. (In answer to this Mr. Davies and Mr. Folger reiterated the American position.) Dr. Schulmeister repeated his earlier theme that it was not sufficient for the Americans to take the role of passive observers or reporters but that there must be an active pursuit of political objectives. In contrast, he claimed, the Soviets were engaged in a continuing effort to soften and to frighten Austria and to create a psychological atmosphere which would, under certain circumstances, help their cause. Since 1955 the Americans have been retiring from Austria, little by little but steadily. Even among the friends of the U.S. this causes uncertainty and doubt: Will the U.S. stand firm? Will the U.S. fight if necessary? Could Berlin and perhaps even Austria become the price for a world-wide accommodation, even if only to gain time? Dr. Schulmeister said that he did not question the American intentions, but it seemed to him that the American position was not reaching the public with the desirable force and propagandistic impact.

6. In answer to a question as to what should be done, Dr. Schulmeister said that the Americans could learn from Hitler in one respect, i.e., in the recognition of Vienna's role as a political and psychological barometer in Europe. This city and this country, which produced both Hitler and Freud, has a historic and natural role as a point of contact between East and West, between the primitive and the civilized, and the possible advantages of the situation should not go to the East by default. For example, the Ford Foundation Flaseo should not have been permitted to occur and the subject could well have been raised during the Chancellor's Washington visit.

7. Dr. Morris related the disappointing experience of UNIS with Austrian TV in connection with the Glenn Flight. Dr. Schulmeister said that he would be prepared to use such information in the pages of his newspaper and to ferret out possible pro-communist influences in the Austrian TV set-up.

8. There was a brief, inconclusive discussion of German-American relations and Axel Springer's role in influencing German public opinion.

9. Regarding the political future in Austria, Dr. Schulmeister ventured the opinion that the OeGP might gain slightly in the forthcoming elections, to the extent of one or two seats. Probably not enough to change the complexion of the coalition. He personally would welcome the decisive victory of either

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party. Austria could afford a Socialist chancellor for a few years and clear designation of responsibility would help the democratic system, whereas the continuing of the coalition handicaps the growth of democracy.

10. A few comments by Dr. Schulmeister on personalities:

a. Dr. Kreisky. Honest, arrogant, conceited but a friend of the West. A real Viennese intellectual. One has to support him if only because his enemies are so obnoxious.

b. Dr. Klaus. Ascetic, scholarly, honest, but perhaps too theoretical. Doubtful if he has the political spark for national leadership.

c. Pittnermann. A practical and practiced operator. Perhaps not dishonest personally but willing to tolerate some corruption as the price of politics. Remains the favored leader of the Socialist party organization, in contrast to his opponents:

d. Olah, who has much rank and file support and who seems to be proceeding on the assumption that there may be a demand for a "clean" man, which he is. A socialist defeat in the '62 election would certainly favor Olah's ambitions in the long run.

Distributions:

Mr. Devine  
Mr. Morris  
File

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